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Message

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February 10, 2003

BY FAX AND FEDERAL EXPRESS

Albert Zervas, Esq.
Trademark Trial and Appeal Board
South Tower Building
2900 Crystal Drive
Arlington, VA 22202

Re: *Galleon S.A. v. Havana Club Holding, S.A.*
TTAB Cancellation No. 24,108

Dear Mr. Zervas:

I write on behalf of Havana Club Holding, S.A. ("HCH") in response to the letter to you from William R. Golden, Jr., counsel for petitioners, dated February 7, 2003. Mr. Golden argues that newly added respondent Empresa Cubana Exportadora De Alimentos y Productos Varios, S.A. ("Cubaexport") should not be granted any additional time to respond to petitioners' summary judgment motion in the above-referenced cancellation proceeding. He takes that position even though (a) Cubaexport has only been in this 7-year old proceeding for a couple of weeks, (b) Cubaexport cannot engage U.S. counsel for pay without a license from the Office of Foreign Assets Control, which has received the application but not yet acted on it, and (c) even after the grant of a license enables it to commence work prudently Fish & Neave will surely need at least the additional time requested to obtain, review and understand the files in and history of this extremely complex and long-pending proceeding -- which is inextricably intertwined with the history and outcomes of even more complex and now-terminated proceedings in the United States District Court for the Southern District of New York, the United States Court of Appeals for the Second Circuit, as well as additional proceedings before the Commissioner of the PTO and United States Court of Appeals for the Federal Circuit.

We understand that Fish & Neave, being the firm which sought the 90-day extension (to which HCH consents), will be providing you with a reply to Mr. Golden's letter. We write separately to

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correct several misrepresentations in Mr. Golden's letter, of which Fish & Neave would not be aware because, as noted, it lacks knowledge of the history of this proceeding.

First, contrary to Mr. Golden's express and implied assertions, neither this firm (Proskauer Rose) nor Mr. Michael Krinsky ever appeared on behalf of Cubaexport in this cancellation proceeding or in any of the related court proceedings. That is hardly surprising, as Cubaexport was not a party to this proceeding until the Board joined it as an additional respondent by order dated January 21, 2003, and Cubaexport never was a party in any of the related court proceedings. Of course, it had no obligation to appear until January 21. Mr. Krinsky is not an attorney of record in this proceeding for Havana Club Holding either. See the Mermelstein order of May 13, 2002, pp. 4-5, and our firm's notice of appearance shortly thereafter. Mr. Krinsky's listing as domestic representative does not in any way constitute an appearance by him as an attorney for Cubaexport and contains no such implication.

Mr. Golden's assertion Proskauer Rose has heretofore "appeared for Cubaexport for the limited purpose of seeking a prior extension" is false. Having not been a party until a couple of weeks ago, there was no occasion for Cubaexport ever to appear in this proceeding, and it has not. Indeed, Mr. Golden's statement to the contrary is not only false, but knowingly false: he has in hand the May 13, 2002 order of Interlocutory Attorney David Mermelstein, which recorded that "the Board questioned [Proskauer attorney] Mr. Reed as to whether he represented Cubaexport in this matter. Mr. Reed indicated that he did not." Order, page 7.

Mr. Golden's representation that "Cubaexport has had the summary judgment papers for nearly a year and has had more than ample time to prepare any response to those papers" is also contradicted by Mr. Mermelstein's May 13, 2002 order at 7 ("Upon inquiry, the Board was further informed by petitioners that they had not attempted to serve Cubaexport with their motion to substitute Cubaexport as the defendant and to enter [summary] judgment against it.")

Mr. Golden's contention that HCH has delayed this proceeding is also meritless (and, in any event, irrelevant to the question of whether Cubaexport should be permitted a fair opportunity to review and respond to the pending summary judgment with legal representation). The time line in Mr. Golden's February 7, 2003 letter, which purportedly evidences delay by HCH, could not be more selective and misleading; he simply omitted the key events that would have made plain that any "delay" has been occasioned and caused by Mr. Golden and his client:

7/95: Petitioners commence this TTAB proceeding.

12/96: Respondents commence federal court litigation against petitioners.

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- 3/17/97: The Board grants petitioners' motion to suspend this TTAB proceeding pending the outcome of the federal court litigation among the parties.
- 3/15/02: Notwithstanding that they were free to recommence this action at any time, and the federal litigation had unmistakably terminated by October 30, 2000, the petitioners waited without explanation until March 2002 to commence proceeding in the United States Court of Appeals for the Federal Circuit to have Cubaexport's trademark registration canceled, a proceeding which was literally unprecedented, and simultaneously file motion in this proceeding to resume proceedings, to substitute parties and for summary judgment.
- 5/13/02: Interlocutory attorney David Mermelstein issues order continuing the suspension of this proceeding because petitioners' action in the Federal Circuit, if successful, would render this proceeding moot.
- 7/31/02: Bacardi's Federal Circuit action is dismissed.
- 8/21/02: Bacardi moves to resume TTAB proceedings based on termination of the Federal Circuit action.
- 1/21/03: Board resumes proceedings for limited purposes of briefing and deciding petitioners' motion for summary judgment.

Finally, and significantly, petitioners' objection to the extension of time requested by Fish & Neave is properly viewed as an action in very bad faith, specifically intended to deprive Cubaexport of a full and fair opportunity -- indeed, any opportunity -- to defend itself in this proceeding. In light of Bacardi's own delays, catalogued above, there is as a matter of law no urgency whatsoever here, much less any that could warrant such an atypical and curiously rushed resolution of petitioners' claims in this proceeding. The registration herein challenged has been in existence since 1976; this cancellation proceeding has been pending since July 1995; petitioners are not marketing any product in the United States branded as "Havana Club;" and petitioners own no pending trademark application which would mature to registration were it not for the existence of Cubaexport's registration.

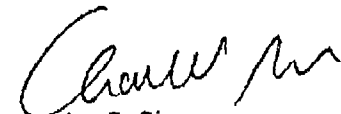
Fish & Neave's request for time to respond to an action in which their client was added only on January 21, without any time even to answer the petition, and where it cannot engage in work

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(for hire) without a license that the Office of Foreign Assets Control has under consideration not yet granted, could not be more reasonable. Petitioners have come forth with no valid reason as to why it should, or how it could, be denied.

Respectfully submitted,



Charles S. Sims

cc: William R. Golden, Jr., Esq.
Martin A. Leroy, Esq.
Michael Krinsky, Esq.